LOCAL GOVERNMENT SERVICES DIVISION

Municipal Services Branch

Summer Village of White Gull Dissolution Study

A Restructuring option for joining the County of Athabasca No. 12

August, 2002

Alberta
MUNICIPAL AFFAIRS

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Introduction

In March of 2002, the Minister of Municipal Affairs received a request from the Summer Village of White Gull to conduct a dissolution study. Section 130 of the Municipal Government Act (MGA) requires the Minister to undertake a dissolution study when he receives a request from the municipal council. The council made the request in response to a motion from ratepayers at the 2001 annual general meeting. The previous council and the ratepayers had divergent views on how the affairs of the summer village should be handled. Subsequently, this motivated the ratepayers to request that a study be done to examine joining with the County of Athabasca. Please note that the County of Athabasca did not initiate the process or topic of dissolution in White Gull.

What is dissolution?

Dissolution is the process that takes place when a municipality changes its legal status as an incorporated municipality and becomes part of an adjacent municipality. In this case, dissolution would mean that the Summer Village of White Gull would become a part of the County of Athabasca No. 12. The county would then provide services, administration, and governance to the former summer village. The County of Athabasca currently carries out these duties in several hamlets and unincorporated lakeshore subdivisions.

What is a dissolution study?

The dissolution study involves researching and writing a report for ratepayers of the summer village and the Minister of Municipal Affairs about the expected effects of dissolution on White Gull.

This study looked at several issues including:

- The current situation in the Summer Village of White Gull; and
- How the current situation compares to what could be expected if White Gull dissolves into the County of Athabasca?

What is a dissolution study *not* about?

The dissolution study is not an assessment of the summer village council or administration.

How was information gathered for the study?

Information for the study came from:

- the county and summer village councils and administrations;
- the provincial government; and
- ratepayers and other concerned citizens.

What Steps Were Taken During This Study?

The Minister assigned staff to draft a dissolution study for the Summer Village of White Gull. They worked with the summer village and the county to develop the study. What follows are some of the steps involved in the development of the report.

- Initial meetings were held with the administrators from White Gull and the County of Athabasca to familiarize them with the requirements of the dissolution study process and collect information regarding the two municipalities.
- On April 8th staff met with summer village council at a council meeting. Members of the amalgamation committee were in attendance.

- On May 16th staff met with the county council to review the dissolution study process.
- On May 18th the summer village held its annual ratepayers meeting. Staff attended the meeting and made a presentation to ratepayers about dissolution. Ratepayers discussed issues they wished to be considered in the dissolution study.
- On May 27th staff met with the county administration to review the issues raised by White Gull ratepayers and determine how the county might address these concerns.
- Staff began preparing a draft study with specific attention to addressing the issues raised by both councils and administrations and by the summer village ratepayers.
- On June 6th staff held a meeting with the summer village council and administrator to obtain additional information.
- On June 20th, county council and administration visited White Gull in an effort to familiarize themselves with the summer village and to assist in better understanding the needs and concerns of ratepayers.
- On June 24th staff met with the summer village council and administrator to prepare for the joint council meeting.
- On June 25th a joint meeting of the councils and administrators from both the summer village and the county was held. One of the objectives was to review the needs and concerns of ratepayers. The meeting was focused on promoting a positive working relationship between the two municipalities.
- After the joint meeting, staff met with the summer village council to review the first draft of the dissolution study.
- Departmental staff made revisions to the study in response to the information received from the summer village and from the county administration. A second draft was presented to the county council on July 9th, and to the summer village council on July 13th.
- Staff finalized the study in the last half of July, and distributed it to summer village ratepayers and county council in early August.

What happens when the study is completed?

Ratepayers have been sent the following items:

- a copy of the study;
- a notice of the date, time and location of a public meeting when Municipal Affairs staff will present the completed study and answer questions; and
- a notice of "Vote on a Bylaw or Question" that provides the date, time and location of the vote on the question of dissolution.

The results of the vote, and the information in the study, will help the Minister determine whether to recommend to Provincial Cabinet that the Summer Village of White Gull dissolve into the County of Athabasca.

What is the current situation in the Summer Village of White Gull?

Historical background

The Summer Village of White Gull was incorporated on January 1, 1983. Summer villages do not generally provide the same level of services to their ratepayers as other types of municipalities. This reflects the different needs in a municipality where there are few permanent residents.

The summer village owns and operates one tennis court, two hand pump water wells, walkways, some municipal reserve land, environmental reserve land and 2.14 km of gravel roads. The summer village owns a variety of small maintenance equipment.

Financial trends in the Summer Village of White Gull

Property assessment is the basis for determining each property owner's share of the tax burden. White Gull's assessment base has grown from $5,423,290 in 1999 to $6,278,120 in 2002. This trend appears to be caused by the increase in market value and new developments.

White Gull's net municipal tax rate increased by 0.08 mills from 7.81 in 1999 to 7.89 in 2002. (Note: Tax rate was at 8.23 mills in 2001. Council reduced this rate to the present 7.89 in 2002.)

Total financial reserves for the summer village increased by $18,440 from $35,200 in 1999 to $53,640 in 2001.

The total expenditures per residences has increased between 1999 and 2001 from $379 to $448.

Provincial comparison with municipalities of similar size

The following section examines how the Summer Village of White Gull compares to the median of other summer villages in Alberta with a similar number of residences (94 – 160 residences) and is summarized in the provincial comparison table. This provides comparative information on how the summer village is doing in the areas of taxation, assessment, financial reserves and expenditures.

The provincial government takes actual tax rates and assessment data provided by municipalities and standardizes them in order to provide an accurate basis for comparison through the equalized assessment and taxation rate. This results in slightly different numbers being used for assessment and taxes in this comparison.
(Note: Residence is defined as any building designed, intended, or used for residential occupancy.)

Taxes and assessment

Since 1995, White Gull's property assessment per residence has been lower than the median average of other summer villages with similar number of residences. In 2000, the median average assessment per residence for summer villages was $86,200, while White Gull's property assessment per residence was 36 per cent lower at $55,100.

Since 1995, White Gull's residential tax rate was higher than the median average of other summer villages with a similar number of residences. The tax rates used are total of the municipal, education and Greater North Foundation tax rates. In 2000, the median average residential tax rate for summer villages was 10.1 mills, while the White Gull's residential tax rate was 42 per cent higher at 14.3 mills.

Total reserves

Since 1995, White Gull's total reserves were below the median average of other summer villages of similar size. In 2000, the median average financial reserves for summer villages were $61,000, while White Gull's reserves were 34 per cent lower at $40,000.

Operating expenditures per residence

For 2000, the average annual operating expenditure per residence for summer villages with a similar number of residences was $586 while White Gull's expenditures per residence were 28 per cent lower at $422.
(Note: The number of residences is based upon the 2000 statistical information report (SIR), submitted by the summer village to Municipal Affairs. The SIR indicates a total of 105 residences within White Gull. The municipality has indicated that the 2002 number of residences has likely increased. Regardless, the summer village remains within the same category (94 – 160 residences) for the purposes of this comparison.)

Table 1

2000 Provincial Comparison

	SV of White Gull	SV median averages (94-160 residences)
Property assessment per residence	$55,100	$86,200
Equalized Residential tax rate	14.3 mills	10.1 mills
Total Reserves (Year 2000)	$40,000 approximately	$61,000
Operating expenditures per residence	$422	$586

Table 2

2001 Net Municipal Tax Rate And Live Assessment Comparison Summer Villages Around Baptiste Lake

	Tax Rate Plus Seniors Tax Rate (2001)	Live Assessment (2001)
South Baptiste	1.7815 and a minimum charge of $321.30	6,166,230
Sunset Beach	3.1705	8,962,000
West Baptiste	4.3750	7,922,200
Whispering Hills	3.7548	11,769,920
White Gull	8.2295	5,807,290

Note: 2001 Live assessments and net municipal tax rates are drawn from the tax bylaws of the respective summer village.

In 2001, White Gull had an assessment of $5,807,290. This is the lowest of the summer villages on Baptiste Lake. White Gull had the highest 2001 net municipal tax rate at 8.2295 mills.

Table 3

Expected changes if White Gull becomes part of the County of Athabasca

The following table shows what the current situation is in the summer village and what ratepayers could expect if the summer village dissolves into the county. Ratepayers should consider all this information when taking a position on the dissolution of the summer village. Table 4 at the end of the report shows that ratepayers would pay less tax if the summer village joined the county. However, ratepayers need to be aware that the dissolution of the summer village would change how some of the municipal functions are handled and how some services are delivered.

Services	Current situation	What ratepayers can expect if the summer village joins the County of Athabasca
Council and Councillors	Three elected councillors govern White Gull with the mayor chosen from within council. The summer village council has the same authority as other municipal councils to pass bylaws, resolutions, deliver services, and tax property within the municipality.	Nine elected councilors govern the county with the reeve chosen from within the council. White Gull would become part of Division 8 in the county. The Division 8 Councilor, currently Edgar Koehler, would represent the ratepayers of White Gull at county council. County council would become the governing authority for White Gull. All councilors are elected to represent the interest of the county as a whole. All of the councilors are available and able to bring forward ratepayer views and concerns.
Representation	Ratepayers and residents currently bring forward their concerns or issues to the summer village council or CAO.	Ratepayers and residents currently bring forward their concerns or issues to the councilors, administrator, administration or council. The county does not differentiate between its permanent and non-permanent residents and non-resident ratepayers when it deals with issues and concerns. The county is open to ratepayers of White Gull forming a group to bring issues forward to the county council.
Voting	Eligible voters in the Summer Village of White Gull include permanent residents, as well as property owners and their spouses. Providing a vote to non-resident electors is a unique characteristic of summer villages. Summer village elections are held in August every three years.	In the county, voters must be permanent residents of the county. Anyone who is not a permanent resident of the county is ineligible to vote and may not seek election as a councillor. County elections are held the third Monday in October every three years.

Services	Current situation	What ratepayers can expect if the summer village joins the County of Athabasca
Administration	Every municipal government is obligated to provide municipal administrative services. In 2001, administration costs were 69 per cent of the summer village's expenditures.	The county has an administrator and approximately 55 staff members to provide administrative services for the county from their office in Athabasca. In 2001, administration costs were 9 per cent of the county's expenditures.
Information requests and emergency numbers	Currently, White Gull ratepayers can phone the summer village administrator or contact a councillor to obtain information.	County residents and ratepayers either phone (local call), go to the county office in Athabasca, or to the website www.athabascacounty.com to obtain information. Summer village ratepayers would be provided with an information package with regards to county services and how to contact the councillors and administration.
Taxes	Taxes are payable to the Summer Village of White Gull. The 2002 municipal and school tax rate for White Gull is approximately 13.46 mills.	Property owners would be taxed at the county's tax rates. The county's 2002 municipal and school tax rate for residential properties is 9.47 mills. The table at the end of the report outlines the projected impact on taxes for three sample properties.
Tax penalty and discount dates	The summer village's tax deadline is July 31. A tax penalty of 18 per cent is levied against unpaid taxes after January 1. The summer village currently provides tax discounts on or before the following dates: • February 28th 6 per cent; • March 31st 4 per cent; or • April 30th 2 per cent.	The county's tax deadline date is July 31. Ratepayers receive a 4 per cent penalty if their taxes are not paid on or before August 1, and another 8 per cent penalty if the taxes are unpaid on or before November 1, for a total of 12 per cent per annum.
Assessment	White Gull uses Assessment Valuation Group Inc. to conduct assessment of the property in the summer village. The summer village has $6,278,120 in total assessment. Residential property accounts for 98 per cent of assessment with linear property accounting for the additional 2 per cent.	The county contracts Municipal Assessment Services to conduct assessments in the county. The county would review the contract with Assessment Valuation Group Inc. and decide which assessor they would retain to provide the assessments for White Gull. The county has a total assessment of $949,001,640 with 27 per cent residential and farmland, and 73 per cent non-residential.

Services	Current situation	What ratepayers can expect if the summer village joins the County of Athabasca
Assets and liabilities	White Gull has few assets other than cash and investments. The municipality owns some park maintenance equipment, has one park supply shed, and has municipal land reserves. At the end of 2001, the summer village had net cash and temporary investments totaling $68,536, no existing debt, and reserves of $53,640.	If White Gull dissolves, all assets and liabilities transfer to the county. The Order In Council dissolving the summer village would contain a provision that the county would have to place any surplus funds in a separate reserve. The county would then be required to use the funds to benefit the former summer village. The county had $10,574,237 of net cash and temporary investments, as of December 31, 2001. The county currently has $11,514,040 million dollars in reserves and $439,650 of debt.
Bylaws and bylaw enforcement	The summer village council has the authority to create and pass bylaws. The summer village provides bylaw enforcement through their Chief Administrative Officer (CAO). The bylaws are enforced by the CAO and/or designated delegate, primarily on a complaint basis.	The summer village bylaws will remain in force unless and until they are repealed or amended by the county council. There will be a review and transition period during which the bylaws will be reviewed and blended with the county bylaws. The county anticipates that most of the bylaws will be comparable. The county provides bylaw enforcement through their staff, part-time bylaw enforcement officer, and administration, primarily on a complaint basis.
Development and building permits and enforcement	The summer village currently issues development permits while building permits are issued by a private business or consultant who specializes in issuing permits. Enforcement of development permits is done on a review and complaint basis.	The county provides both development and building permits from its office. The enforcement of development bylaws is done through observation by staff and contractors, as well as on a complaint basis.
Municipal land reserves	The summer village currently has municipal land reserves set aside as natural park areas.	The county would keep the municipal land reserves in their current condition and has no intention of selling the municipal land reserve areas. If the ratepayers wished to develop the municipal land reserves, for a playground, park or other such use, the county would consider the request.

Services	Current situation	What ratepayers can expect if the summer village joins the County of Athabasca
Waterfront and environmental reserves	The summer village currently has waterfront designated as environmental reserve. The summer village's actions and decisions on environmental reserves are guided by balancing provincial legislation with the needs of the community.	The county identifies environmental reserves by using large visible markers. The markers are used to identify the environmental reserve so residents respect its natural state. The county enforces the environmental reserve on a complaint basis. The county has received numerous awards for their Lakefront Reserve Identification Project and lakefront conservation, as well as being featured in a number of training and educational videos.
Beaches and boat launches	There is no developed public beach area in White Gull. The summer village is applying for an infrastructure grant to assist in the maintenance and repair of two existing boat launches.	The county has no plans to develop the beachfront area in White Gull. The county only wishes to operate one public beach area on Baptiste Lake. The county would maintain the boat launches in White Gull as required.
Walkways	The summer village has walkways throughout the summer village. A contract worker maintains the walkways during the summer months.	County staff will maintain the walkways in White Gull as they do for all subdivisions. The county would consider keeping the current contract for walkway maintenance.
Roads and streets	Municipalities are responsible for building and maintaining roadways. The summer village provides maintenance of roads through a contractor. The contractor provides the service on a demand basis.	The county would become responsible for the maintenance and construction of roadways in White Gull.
Dust suppression	The summer village does not do any dust suppression. The council is examining the option of a dust suppression program.	The county provides dust suppression to hamlets and subdivisions in which 50 per cent of the lots are developed. White Gull qualifies under this policy.
Snow removal	The summer village provides snow removal through a contractor who provides the service on a demand basis.	The county would be responsible for maintenance and clearing snow from White Gull's roadways as per the county's road standards. Snow is removed starting with main arteries, school bus routes and then all other roads. The county has a standard that all roads should be cleared within 48 hours of the end of the snowfall.

Services	Current situation	What ratepayers can expect if the summer village joins the County of Athabasca
Recreation and culture	The summer village does not provide recreation or cultural programs. Residents of White Gull currently access the programs and facilities offered by the Town and County of Athabasca.	The residents of White Gull would continue to access the recreation, and culture services provided by the Town and County of Athabasca.
Family community and support services (FCSS)	The summer village is a partner of the Athabasca and Area FCSS Association and as such the ratepayers have access to the services of the association.	The county provides FCSS programs and services through the Athabasca and Area FCSS Association, therefore ratepayers would continue to have access to these services.
RCMP and ambulance	Police and ambulance services are provided by the Athabasca RCMP detachment and the County of Athabasca Ambulance Service respectively.	Police and ambulance services are provided by the Athabasca RCMP detachment and County of Athabasca Ambulance Service respectively. There would be no change in these services.
Waste Transfer Station	Capital requisition payments were made to the county over a three-year period so that ratepayers could have access to the nearby Waste Transfer Station at Whispering Hills. The ratepayers of White Gull are charged a tipping fee, which is the same for all users of the transfer station. The county has an agreement with the summer village whereby the summer village will be assessed a portion of the net operating costs of the transfer station. A previously agreed to formula, based on adjusted population, is used to calculate the summer village's share.	The Athabasca Regional Waste Management Commission charges a tipping fee for anyone using the waste transfer station. The tipping fee rates are the same for everyone. These fees are used to cover a portion of the operating costs of the station. All operating costs that are not covered by collected tipping fees are charged to the participating municipalities on an adjusted population basis. The county pays its share of the net operating costs based on the formula for adjusted population.

Services	Current situation	What ratepayers can expect if the summer village joins the County of Athabasca
Water and sewer	The summer village provides water through two hand-pumped water wells. The wells are tested monthly and comply with provincial standards. Individual property owners install and maintain their own water and sewer systems.	The county would maintain the two existing water well hand pumps. The county would comply with all necessary tests for the water wells. Individual property owners would continue to install and maintain their own water and sewer systems.
Fire department	Fire protection service in White Gull is provided by the Baptiste Lake Fire Department. Primary response comes from the fire hall at West Baptiste. In 2001, White Gull paid $1,729 to the Baptiste Lake Fire Department.	The county currently contributes to the Baptiste Lake Fire Department. The Baptiste Lake Fire Department would continue to provide the service to White Gull. The Baptiste Fire Department falls under the County of Athabasca fire policy. The county has several staff that have wild fire suppression training and skills. There are eight volunteer fire departments within the county.
Library	The summer village is a member of the Northern Lights Library System. The ratepayers are charged a membership fee if they choose to access services of the library in the Town of Athabasca.	The county is a member of the Northern Lights Library System. The ratepayers are charged a membership fee if they choose to access the services of the library in the Town of Athabasca. There would be no change in this service.
Gas and Electrical	ATCO Gas and EPCOR provide the natural gas and electricity to properties in White Gull.	This service is not a municipal responsibility and would not change if the summer village were to dissolve.

What would happen if the Minister does not recommend dissolution?

The summer village would continue as an incorporated municipality and provide services as long as ratepayers continue to pay for them.

White Gull would still have local autonomy and decisions would be made by White Gull's locally elected council on how to spend the tax dollars collected within the summer village.

What happens next?

- **The public meeting to discuss dissolution is scheduled for Saturday, August 24, 2002, at 9:30 a.m. in the basement of the Athabasca Legion Hall in the Town of Athabasca.** All ratepayers of the summer village are encouraged to attend. Officials from Alberta Municipal Affairs, the summer village and the county will be present.
- **A vote will be held at the Baptiste Fire Hall in the Summer Village of West Baptiste on Saturday, August 31, 2002, from 12 noon to 9 p.m.**
- The question on the ballot will be:

  "Do you wish the Summer Village of White Gull to dissolve and have it become part of the County of Athabasca No. 12?"

Eligibility to Vote

Alberta Municipal Affairs, in accordance with the Local Authorities Election Act, will conduct the vote on the question of dissolution. A person is eligible to vote if that person

- is at least 18 years old,
- is a Canadian citizen, and satisfies one of the following requirements:
  - has resided in Alberta for the 6 consecutive months immediately preceding election day and is a resident in the area on election day, **or**
  - is named on the tax roll as the person liable to pay property taxes for the property within the summer village, or is the spouse of the person named on the tax rolls.

The Local Authorities Election Act says that no person may have more than one residence for the purposes of voting. It defines a residence as "the place where the person lives and sleeps and to which, when the person is absent, the person intends to return."

The Minister of Municipal Affairs will consider this report, the issues raised at the public meeting, the views of the councils of the Summer Village of White Gull and the County of Athabasca, and the results of the vote prior to making any recommendation to cabinet.

If the Minister recommends dissolution and cabinet agrees, the present summer village council and administration would work with the county to wind up the affairs of the summer village by the recommended date of dissolution, which is January 1, 2003.

For further information, contact:

Michael Scheidl or Mark Cooper of Alberta Municipal Affairs by dialing 310-0000 (toll free) and then entering 427-2225.

Table 4
Summer Village of White Gull Residential Tax Comparison
2002 Municipal and School Tax

This table considers three actual residential properties in the Summer Village of White Gull and applies the 2002 summer village and county tax rates to the assessments of these properties. The results help compare the expected property taxes if White Gull remains a summer village with the expected taxes if White Gull joins the County of Athabasca.

Residential tax rate	Summer Village of White Gull (mills)	County of Athabasca (mills)	% Difference
Municipal	7.75	4.15	-46%
Greater North Foundation	0.14	0.15	+9%
School	5.57	5.17	-7%
Total	13.46	9.47	- 30%

2002 Municipal and School Tax
If the Summer Village of White Gull remains a summer village.

Summer Village of White Gull	Assessment	Summer Village tax rate (mills)	Summer Village taxes
Residential 1	$13,510	13.46	$181.84
Residential 2	$45,060	13.46	$606.51
Residential 3	$115,050	13.46	$1,548.57

2002 Municipal and School Tax
If Summer Village of White Gull joins County of Athabasca

County of Athabasca	Assessment	County tax rate (mills)	County taxes
Residential 1	$13,510	9.47	$127.94
Residential 2	$45,060	9.47	$426.72
Residential 3	$115,050	9.47	$1,089.52

Results of the estimated 2002 tax comparison

Sample property	Summer Village taxes	County taxes	Reduction	Percentage
Residential 1	$181.84	$127.94	$53.90	- 30%
Residential 2	$606.51	$426.72	$179.79	- 30%
Residential 3	$1,548.57	$1,089.52	$459.05	- 30%

Conclusions: In 2002, the combined municipal and school tax on residential property in the county was 30 per cent lower than in the village. As a result, the sample residential properties would have paid 30 per cent less in combined municipal and school taxes in the county than in the summer village. However, residents should consider all the information in the report when making a decision.

Note: The summer village tax rates were rounded to the nearest second decimal point.